

IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF ARKANSAS
EL DORADO DIVISION

IN RE: CROSSET FORD LINCOLN, LLC
DEBTOR

Case No. 1:15-70746
Chapter 7

RENEE S. WILLIAMS, TRUSTEE

PLAINTIFF

v.

Case No. 1:18-mc-00007

WORLD GLOBAL FINANCING, INC.;
and JOHN DOES 1-5

DEFENDANTS

ORDER

Before the Court is Defendant World Global Financing, Inc.'s ("WGF") Notice. (ECF No. 3). Plaintiff Renee S. Williams has not filed a response, and the time to do so has passed. The Court finds the matter ripe for consideration.

On March 21, 2015, Plaintiff filed the above-referenced Chapter 7 bankruptcy case in the United States Bankruptcy Court for the Western District of Arkansas. On March 13, 2017, Plaintiff commenced an adversary proceeding by filing a complaint alleging a routine action to avoid alleged preferential transfers under section 547 of the Bankruptcy Code, and for recovery of the value of the transfers in the amount of \$122,220.00. On March 6, 2018, Plaintiff filed an amended complaint, adding a new claim and new allegations relating to Arkansas' usury laws.

On May 9, 2018, WGF initiated this miscellaneous case, filing a motion asking the Court to withdraw the reference of the underlying bankruptcy case¹ and to transfer the case to the United

¹ United States district courts may refer certain bankruptcy-related cases to the bankruptcy judges for the district. 28 U.S.C. 157(a). Indeed, Local Rule 83.1 automatically refers all cases and proceedings arising under, in, or related to Title 11 of the United States Code to the bankruptcy judges for this district. However, a district court may "withdraw, in whole or in part, any case or proceeding referred under [section 157], on its own motion or on timely motion of any party, for cause shown." 28 U.S.C. § 157(d).

States District Court for the Southern District of Florida. (ECF No. 1). On May 10, 2018, WGF filed the instant motion, stating that on May 8, 2018, it filed a voluntary Chapter 11 bankruptcy petition in the United States Bankruptcy Court for the Southern District of Florida, Miami Division.² WGF states further that, as a result, all of its property, both real and personal, became subject to the jurisdiction of the United States Bankruptcy Court. Accordingly, WGF asks the Court to stay all proceedings in this case pursuant to the automatic-stay provision in 11 U.S.C. § 362.

The commencement of a voluntary Chapter 11 petition operates as an automatic stay, applicable to all entities, of any “action or proceeding against the debtor that was . . . commenced before the commencement of the [Chapter 11] case, or to recover a claim against the debtor that arose before the commencement of the [Chapter 11] case.” 11 U.S.C. § 362. The stay is effective even though no notice is given, and generally, actions taken in violation of the automatic stay are void. *LaBarge v. Vierkant (In re Vierkant)*, 240 B.R. 317, 323 (8th Cir. BAP 1999). However, there are certain statutory exceptions to this automatic stay, such as that criminal proceedings against the debtor are not stayed. *In re Bibbs*, 282 B.R. 876, 878 (Bankr. E.D. Ark. 2002).

Upon consideration, the Court agrees with WGF that this matter must be stayed. The underlying bankruptcy case, in which Plaintiff asserts claims to recover from WGF, commenced prior to May 8, 2018, when WGF commenced its Chapter 11 bankruptcy case. Plaintiff does not argue that a statutory exception applies to prevent the automatic stay. Thus, Title 11 provides for an automatic stay of this case pending the resolution of WGF’s Chapter 11 bankruptcy case.

Accordingly, the Court finds that the instant motion (ECF No. 3) should be and hereby is **GRANTED**. The Clerk of Court is **DIRECTED** to stay and administratively terminate this case.

² Case No. 18-15499-BKC-AJC.

The parties may move to reopen the matter after the resolution of WGF's Chapter 11 bankruptcy case.

IT IS SO ORDERED, this 7th day of August, 2018.

/s/ Susan O. Hickey
Susan O. Hickey
United States District Judge